

# **Press Release**

**Office of the Kansas Securities Commissioner  
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Topeka, Kansas 66603-3804**

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## **Hays Man Convicted of Securities Fraud in Rawlins County**

(Topeka, Kansas) -- Kansas Securities Commissioner Chris Biggs announced today that Hays resident Patrick L. Schmidtberger was convicted in Rawlins County District Court today for a violation of the Kansas Securities Act. Schmidtberger, 40, was convicted of one felony count of an unlawful act in connection with the offer, sale or purchase of securities, commonly known as securities fraud.

The conviction resulted from activity by Schmidtberger in which he solicited money from an Atwood resident with the promise that he would invest the money on the individual's behalf. The money was never invested, but instead used by Schmidtberger for other expenses. Schmidtberger misrepresented that he had been successfully investing for others and failed to advise that he had been previously convicted in Ellis County District Court for felony theft by deception and was on probation at the time of the transactions in question.

Schmidtberger faces a sentence of up to 46 months in prison, a fine of up to \$100,000 and restitution of \$2,500.00. On January 31, 2005, Schmidtberger was convicted in Ellis County District Court on a separate count of securities fraud involving two additional victims.

In addition to the criminal convictions, Schmidtberger agreed to enter into an administrative order with the Office of the Securities Commissioner in which he will be permanently barred from associating with any broker-dealer or investment adviser in the State of Kansas.

This investigation and prosecution of Schmidtberger was done with the assistance and cooperation of Charles Peckham and the Office of the Rawlins County Attorney. Sentencing is scheduled for Tuesday, April 5th, 2005.

The Office of the Kansas Securities Commissioner is charged with administration and enforcement of the Kansas Securities Act under Chapter 17 of the Kansas Statutes. The Office investigates and prosecutes securities fraud, the offer or sale of unregistered securities and the offer or sale of securities by unlicensed stockbrokers or investment advisers. For more information and investor education resources, visit <http://www.securities.state.ks.us>.